

CAMDEBOO MUNICIPALITY
APPENDIX C
ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 30/06/09

Expenditure 2008 R		Budget 2009 R	Balance at 30/06/2008 R	Expenditure during the year R	Correction of prior period error R	Written off transferred redeemed or disposed R	Balance at 30/06/2009 R
8,692,446	RATES AND GENERAL SERVICES	12,222,000	88,175,115	15,002,803	(700,235)	-	102,477,683
1,831,497	Land and buildings	5,281,000	15,529,544	297,393	(700,235)		15,126,703
4,261,150	Street and Bridges	4,378,000	19,596,377	6,623,090			26,219,467
759,057	Furniture & equipment	988,000	4,721,515	3,154,528			7,876,043
539,104	Sewerage	125,000	31,567,940	2,387,607			33,955,547
1,301,638	Motor Vehicles	1,350,000	16,037,424	2,024,439			18,061,863
	Tools	100,000	722,315	515,746			1,238,061
-	HOUSING	-	4,078,979	-			4,078,979
6,656,197	TRADING SERVICES	8,655,000	54,307,115	6,433,786		-	60,740,901
	Concrete Works		1,794				1,794
3,363,359	Electricity	5,160,000	23,170,957	4,745,918			27,916,875
3,292,838	Waterworks	3,495,000	31,134,364	1,687,868			32,822,232
15,348,643	TOTAL FIXED ASSETS	20,877,000	146,561,209	21,436,589	(700,235)	-	167,297,563
10,778,312	LESS: CAPITAL REDEEMED AND OTHER CAPITAL RECEIPTS		112,968,145	11,280,835	0	2,172,939	122,076,041
3,720,670	Loans redeemed and advances paid		14,240,712	4,814,686			19,055,398
55,358	Contribution ex operating income		28,620,182	0			28,620,182
7,002,284	Grants and subsidies		70,107,251	6,466,149		2,172,939	74,400,461
4,570,331	NET FIXED ASSETS	20,877,000	33,593,064	10,155,754	-700,235	-2,172,939	45,221,522

CAMDEBOO MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30/06/08

Actual 2008 R		Actual 2009 R	Budget 2009 R
INCOME			
17,569,673	Government - Grants & Subsidies	20,661,208	17,323,000
51,311,063	Operating income	56,852,290	53,242,287
7,972,614	- Assessment Rates	8,535,300	10,175,515
21,517,362	- Sale of Electricity	28,256,146	23,488,865
7,583,427	- Sale of Water	9,291,254	8,202,074
14,237,660	- Other service charges	10,769,590	11,375,833
1,369,038	- Interest Received	2,626,446	2,089,514
70,249,774		80,139,945	72,654,801
EXPENDITURE			
27,146,182	Salaries,wages and allowances	34,488,000	39,945,527
35,594,581	General expenses	35,888,750	38,551,560
11,801,478	-Purchase of electricity	16,675,022	18,519,727
23,793,103	- Other General Expenditure	19,213,728	20,031,833
2,027,640	Repairs and maintenance	2,762,416	3,786,364
4,958,840	Capital charges	6,213,087	9,088,197
55,358	Contributions to fixed assets		
	Contributions to Provisions	3,243,457	
569,658	Contributions to other funds	597,946	
70,352,259	Gross Expenditure	83,193,656	91,371,648
5,477,679	Less: Amounts charged out***		
64,874,580	Net Expenditure	83,193,656	91,371,648

*** The accounting policy regarding internal charges had been amended

APPENDIX E
CAMDEBOO MUNICIPALITY
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30/06/09

Actual Income	Actual expenditure	Surplus/ (deficit)		Actual Income	Actual expenditure	Surplus/ (deficit)	Budget Surplus/ (Deficit)
2008	2008	2008		2009	2009	2009	2009
R	R	R		R	R	R	R
40,362,888	37,081,847	3,281,041	RATES AND GENERAL SERVICES	42,533,144	49,902,475	(7,369,331)	(15,536,284)
33,366,113	26,851,705	6,514,408	Community services	35,012,996	35,713,839	(700,843)	(6,905,110)
7,972,614	563,328	7,409,286	Assessment rates	8,535,300	597,946	7,937,354	10,175,515
295,465	2,806,408	(2,510,943)	Admin Town Clerk	121,206	5,180,752	(5,059,546)	(5,483,279)
	100,221	(100,221)	Civil Defence	-	111,265	(111,265)	(111,743)
7,207	1,981,802	(1,974,595)	Council's General Expenses	13,853	3,282,151	(3,268,298)	(3,413,097)
	17,364	(17,364)	Grants and Donations	-	109,731	(109,731)	(115,000)
3,201,570	3,538,693	(337,123)	Health Services	2,643,060	3,807,439	(1,164,379)	(4,926,267)
	78,130	(78,130)	Hester Rupert Art Mus.	-	75,184	(75,184)	(111,649)
15,923	1,146,749	(1,130,826)	Libraries	18,162	1,238,977	(1,220,815)	(1,413,732)
39,311	8,038,707	(7,999,396)	Public Works	62,374	6,932,937	(6,870,563)	(8,498,327)
-	42,974	(42,974)	Swimming Baths	-	34,423	(34,423)	(45,524)
47,731	698,001	(650,270)	Town Engineer	42,878	1,201,326	(1,158,448)	(1,741,728)
20,081,897	6,768,357	13,313,540	Town Treasurer	21,642,633	11,596,842	10,045,791	8,595,122
1,704,395	1,070,971	633,424	Traffic Control	1,933,530	1,544,866	388,664	184,599
			Subsidised services	212,534	8,343,050	(8,130,516)	(9,928,862)
203,475	3,533,109	(3,329,634)	Fire Protection	3,381	509,263	(505,882)	(555,546)
1,110	452,692	(451,582)	Airport	45,133	475,063	(429,930)	(522,136)
59,842	400,866	(341,024)	Municipal buildings	160,228	1,128,854	(968,626)	(1,202,296)
138,548	532,089	(393,541)	Parks and Recreation grounds	3,792	5,617,493	(5,613,701)	(6,873,098)
3,975	1,828,135	(1,824,160)	Proclaimed Roads	-	-	-	-
-	-	-	Workshops	-	612,377	(612,377)	(775,786)
-	319,327	(319,327)	Economic services	7,307,614	5,845,586	1,462,028	1,297,688
6,793,300	6,697,033	96,267	Cleansing Services	2,302,949	3,033,984	(731,035)	(751,283)
2,166,163	2,630,634	(464,471)	Commonage & Pound	119,618	90,169	29,449	(32,376)
96,318	87,893	8,425	Parking Meters	8,999	109,673	(100,674)	(99,036)
10,698	99,113	(88,415)	Sanitation	753,651	249	753,402	800,771
737,428	1,077,379	(339,951)	Sewerage Scheme	4,062,397	2,585,818	1,476,579	1,353,188
3,722,693	2,770,299	952,394	Urquhart Park	60,000	25,693	34,307	26,424
60,000	31,715	28,285					
			HOUSING SERVICES				
1,385		1,385	Sub Econ. Houses	1,385		1,385	1,385
29,885,501	27,792,733	2,092,768	TRADING SERVICES	37,605,416	33,291,181	4,314,235	(3,181,948)
103,575	160,086	(56,511)	Concrete Works	58,016	193,023	(135,007)	(86,450)
22,127,048	23,035,578	(908,530)	Electricity	28,256,146	27,169,041	1,087,105	(5,076,882)
7,654,878	4,597,069	3,057,809	Water	9,291,254	5,929,117	3,362,137	1,981,384
70,249,774	64,874,580	5,375,194	TOTAL	80,139,945	83,193,656	(3,053,711)	(18,716,847)
		(4,437,278)	Appropriations for the year (refer to note 14)			(2,964,953)	
		937,916	Nett surplus for the year			(6,018,664)	
		5,715,150	Accumulated surplus at the beginning of the year			6,653,066	
		6,653,066	ACCUMULATED SURPLUS AT THE END OF THE YEAR			634,402	

CAMDEBOO MUNICIPALITY
APPENDIX F
STATISTICAL INFORMATION FOR THE YEAR ENDED 30/06/09

	<u>2009</u>	<u>2008</u>
a) General statistics		
- Population	45000	45000
- Number of registered Voters	22290	29000
- Area km 2	100	100
Building Survey		
- number of building plans passed	70	102
- total value of building plans passed	R 14,178,354	R 10,083,333
Parks and recreation		
- number of developed parks	10	10
- number of swimming pools	2	3
- number of sport fields and tennis courts	24	24
Total valuations		
- taxable (R million)	654	654
- non taxable (R million)	56	56
Valuation date	01.11.03	01.11.03
Assessment rate		
- basic (cent in the Rand)		1.34
- discount Government	20%	20%
- discount Agricultural	30%	30%
Licences issued - vehicle registrations	6446	8683
Libraries - books issued	79364	85367
Number of employees of Municipality	315	286
Electricity Statistics		
kWh		
i. Number of users (residential and commercial)	6893	6857
ii. Units bought ('000)	63478	61475
iii. Units sold ('000)	55834	54007
iv. Units lost in distribution (ii – iii)	7643	7468
v. Percentage lost in distribution	12%	12.15
vi. Cost per unit bought (cent)	26.27	19.37
vii. Loss in distribution (iv x vi) (Rand)	2,007,893	1,446,551
viii. Cost per unit sold (cent)	44.54	42.64
ix. Income per unit sold (cent)	50.61	40.97
Water Statistics		
Number of users (residential and commercial)	9150	9122
Kl sold ('000)	2600	2148
Kl lost in distribution ('000)	256	379
Percentage lost in Distribution	10%	15
Refuse Removals		
Kilometres travelled	42348	41750
Refuse removed (cubic metre)	67767	72614
Sewerage		
Sewerage water purified (Mega litres)	920	1152
Sanitation removal (litres)	9600	11370

4.2 BUDGET TO ACTUAL COMPARISON

INCOME

The actual total income for the year was 10.3% more than the budgeted income of R72,7m for operations. This is mainly due to increased revenue from the following sources:

Government grants and subsidies - 19.3%
 Sale of electricity - 20.3%
 Sale of water - 13.2%
 Interest received - 25.7%

EXPENDITURE

Total actual operational expenditure amounted to 91% of the budget. This is mainly due to savings on salaries, wages and allowances which was 13.6% below budget because of budgeted posts not filled or not filled from the beginning of the financial year.

CAPITAL EXPENDITURE

The capital budget overspent by 2.7% due to price increases that could not be foreseen during the budget process.

4.3 GRANTS AND TRANSFERS' SPENDING

The information in the table below is based on what is available in the financial system:

PROJECT NAME	OPENING BAL	REC	SPENT	INTEREST
Information Technology	-300 000.00		289 504.39	
Nieu Bethesda Land Survey	-100 000.00			
WSBP Implementation	-785 356.00		691 586.50	
Upgrade Main Substation	0.00	-4 700 000.00	497 253.97	
Provision of Illegal Squatting	-30 098.04			-3 747.91
Town Planning Projects	-84 923.04	-254 850.00	10 668.00	-33 600.39
Town Registers	-20 639.03			-2 570.04
Preparation Framework Plan	-79 679.25			-9 921.93
Prep Zoning Scheme	-3 567.27			-444.21
Geotechnical Survey	-6 612.12			-823.36
IDP	-73 310.91	-57 000.00	71 710.28	-10 353.63
IDP 2	-228 525.46			-28 456.74
PROJECT NAME	OPENING BAL	REC	SPENT	INTEREST
GRT Zoning Scheme	-250 330.97		55 800.00	-24 223.63
Mandela Park Settlement Plan	-199 872.52			-24 888.79
IDP Nieu Bethesda	-20 470.89			-2 549.12
Implementation of Free Basic Service	-2 592.35			-322.80
Spatial Development Framework	2 998.08			
Survey 177 sites Kroonvale	-113 360.92			-14 116.08
Aberdeen Cemetary	-67 747.06			-8 436.10
Capacity Building Grant	-31 968.47		31 968.47	
National Treasury FMG	-1 143 216.11	-1 750 000.00	1 202 757.48	
Brick Making LED Project	-9 954.72			-1 239.60
Drought Relief	-273 260.69		6 057.50	-33 273.02
Asses Water Serv Authority	-113 922.19			-14 185.96
LED EU Thina Si	-609 279.27	-414 441.90	994 424.34	-38 017.94
Valuations	-742 168.54	-445 000.00	994 302.57	

Vuna Awards	-592 828.02		400 850.87	-108 395.26
Cleanest Town Award	-69 950.50		69 142.54	-1 754.12
Comprehens Infrastructure	0.00	-200 000.00	32 581.25	-22 336.87
Fixed Assets Register	0.00	-200 000.00	45 556.19	
Ward Participation	0.00	-90 000.00	80 811.58	
Aids Project 2000	-7 634.70		1 700.00	
Mandela Park Electrification	72 288.03			
Asherville Housing Phase 2	-241 028.78			
Geluksdal Housing Phase 2	12 994.46			
Klipfontein Farm	-24 800.00			
Mimosadale Farm	-18 600.00			
Mimosadale Farm 4 connections	16 636.30			
Themba Abd	-59 100.26			
Kroonvale Bulk	-119 732.12			
Upgr Bulk Reticulat Kvale	-219 973.36		189 111.65	
Elec 40 infix Aberdeen	-114 390.39		60 186.22	
Refurb/upgr Power lines Aberd	-133 710.03		58 290.41	
Electrification Mandela Park E	340 604.04			
Electrification Kendrew	-30 000.00			
Neui B Waterborne Sani	-46 440.17			
Electrification Mandela Park R	-345 986.56			
Rehab Highmast Themba Abrdn	-14 232.91			
PROJECT NAME	OPENING BAL	REC	SPENT	INTEREST
Geluksdal	0.00			
Mandela Park	-88 494.78		9 915.10	-6 161.14
Aberdeen Themba	-16 443.79			-6 900.00
Eunice Kekana	0.00			-20 500.40
Ext Filter Works	997 255.73		55 552.59	
Aberd Settle Sewerage Expend	259 077.14			
Nieu Bethesda waterborn Sanitation	-898 876.45			
Project Management Unit	-108 809.52			
Water Advance	1 219 663.99			
Road & SW Umazizake	-282 210.24			
PMU Roads & Stormwater	-2 217 805.27	-4 637 338.00	3 148 452.57	
MIG Water Treatm	0.00		1 131 279.67	
600 Houses Aberdeen	-146 149.45	97 700.43	157 566.12	
Electrification 374	-53 661.22			
Rehabilitation Str Lights	-31 594.64			
Total	-8 251 791.21	-12 650 929.47	10 287 030.26	-417 219.04

4.4 MEETING DONOR'S REQUIREMENTS IN RESPECT OF CONDITIONAL GRANTS



**TREASURY
PERSONNEL**

**KROONVALE
CASHIER
OFFICE**



All material donor requirements have been met with regard to conditional grants received from the national treasury and provincial government. Slow spending of the Finance Management Grant and the Municipal Systems Improvement Grant resulted in National Treasury demanding that the unspent balances be paid back on 30 June 2009. Most of these amounts related to prior years, as shown in the table below.

However, the municipality was able to show that most of the funds were committed to projects like the general valuation, asset register and GRAP conversion. In the end the municipality had to pay back an amount of R342,000 which remained unspent.

4.5 LONG TERM CONTRACTS ENTERED INTO BY THE MUNICIPALITY

- Botanical Sportsgrounds;
- John Rupert Theatre; and
- Aloe project.

4.6 ANNUAL PERFORMANCE AS PER KEY PERFORMANCE INDICATORS IN FINANCIAL VIABILITY

Indicator Name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
Percentage expenditure of capital budget	R 20 877	R 21 436	102%

	Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
Salary budget as a percentage of the total operational budget	44%	41%	-3%
	Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
Total actual trade creditors as a percentage of total actual revenue	7.00%	6.67%	
	Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
Total municipal own revenue as a percentage of the total actual budget	76%	74%	
	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
Rate of municipal consumer debt reduction	—	(Increase) R 2246	10.41% (increase)
Percentage of MIG budget appropriately spent	100%	R 1 449 461	100%
Percentage of MSIG budget appropriately spent	100%	R 356 498	100%

4.7 THE AUDIT COMMITTEE FUNCTIONALITY

The audit committee is fully functional and provides an advisory service to the cluster of Camdeboo, Blue Crane and Ikwezi municipalities. Meetings rotated among the three centres and took place as per the requirement of four meetings per year, namely:

25 July 2008	- Graaff-Reinet
31 October 2008	- Somerset-East
20 February 2009	- Jansenville
29 May 2009.	- Graaff-Reinet

The contracts of the individuals serving on the committee came to an end on 30 June 2009. An advice was received from Cacadu District Municipality that their contracts be extended until 31st December 2010, and that the Recruitment process to take place during the second semester of 2010.

4.8 ARREARS IN PROPERTY RATES AND SERVICE CHARGES

Amounts in arrears for property rates and service charges grew by 11% from R19.8m to R22.1m during the financial year.

4.9 ANTI-CORRUPTION STRATEGY

The fraud prevention plan has been developed and adopted by Council on June 2009. Because it was so late in the financial year, not much have been done to raise awareness among staff members during the period under review. The prevention of fraud is also supported by other risk management strategies. The discovery of fraud in the municipality is a standing item on the agenda of the Audit Committee. No fraud cases were uncovered or reported during the period under review.

CHAPTER 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

5.1 OVERVIEW OF THE EXECUTIVE AND COUNCIL FUNCTIONS AND ACHIEVEMENTS: COUNCIL

There are eleven (11) Councillors of which five (5) are proportional representatives and six (6) Ward Councillors.

Breakdown: 8 African National Congress; and
 3 Democratic Alliance.

Three portfolio committees of Council are functioning: namely;
 Technical and Infrastructure Services;
 Budget and Treasury Committee; and
 Community Development and Human Resources Committee.

- The Constitution of the Republic of South Africa, Act No 108 of 1996, as amended.
- Local Government: Municipal Systems Act No 32 of 2000, as amended
- Local Government: Municipal Structures Act No 117 of 1998, as amended
- Local Government: Municipal Demarcation Act, No 27 of 1998
- Local Government: Municipal Finance Management Act No 56 of 2003
- Disaster Management Act, No 57 of 2002

5.2 PUBLIC PARTICIPATION AND CONSULTATION

A Communication Plan was developed in 2006 but needs to be improved and reviewed.

The municipality does not have a dedicated unit that deals with public participation matters. The function is dealt with by the offices of the Mayor/Speaker and the Municipal Manager.

The Municipality committed itself with the theme of 'people government' and, to this end, has sought to consult widely with the communities on service delivery priorities, services delivery programmes and mechanisms.

This done through Council Outreach Programmes, Mayoral Imbizos, Ward Committee and Ward Committee forums, IDP formulation consultation process and review of such IDP. The governance structure of Community Development Workers is exploited optimally to enhance the views and demands of the communities before such demands manifest themselves into protests. To achieve this, the CDW's have a standing invitation to the Ward Committee Meetings and are encouraged to attend council meetings, within the broader understanding of Council meetings being open meetings to all.

5.3 FUNCTIONALITY OF WARD COMMITTEES

The municipality has 6 wards, of which 5 were operational during the year under review. These wards are led by duly elected ward committees who meet regularly. The minutes of ward meetings are submitted to Council via the Municipal Manager's Office.

A. SERVICE DELIVERY

The Municipality delivers all the services in terms of its powers and functions.

B. TITLE DEEDS

The Municipality has been approached on a number of occasions to intervene on behalf of some of the residents of Umasizahke township in order for them to convert 99-year leasehold titles into full title deeds. On investigation and after a number of meetings with officials of the Provincial Department of Local Government, it became clear that this could only be achieved by an endorsement of the current Permission-to-Occupy, effectively rendering to the holder the same legal authority as the holder of a title deed. However, this is

unacceptable to these residents, stating that this amounts to a perpetuation of the apartheid laws. The information emanating from our meetings and interaction with officials from the Province, is that such a step requires a legislative amendment.

The Municipality is desirous for this matter to be resolved amicably, but lacks the necessary resources to take this matter to its full conclusion.

C. FREE BASIC SERVICES

The allegation is made that the Municipality hands over debt owed by pensioners to the lawyers for collection, resulting in such people having to pay off debt at the lawyers while at the same time paying their current accounts for services.

The Indigent Policy does not provide for pensioners as such, but caters for account holders whose household income is less than or equal to two (2) state pensions or R2020, excluding income from Child Income Grants. Thus it is possible for pensioners not to qualify for an indigent subsidy where such pensioners house other persons whose income makes the combined household income to exceed the threshold of R2020.

Where a person, upon application and approval, is declared indigent, the lawyers who collect the debt on behalf of the municipality are instructed not to pursue such arrears.

D. GRADING OF THE MUNICIPALITY

This matter is continually raised by the Council and is two-fold:

- The seemingly unilateral changing of the municipality's grade from Gr.3 to Gr.2
 - The grading of the municipality to be changed to Gr.3 in the light of population growth and comparison to similar-sized institutions.
 - In terms of legislation, the grading of municipalities are based on two factors; namely, the number of voters and the actual rates revenue.
-
- The number of voters in Camdeboo: 22 400
 - The actual rates income for 2008/2009: R8 535 300

On the basis of the above and as per Government Notice 4595 of 2000, the municipality is at the uppermost level of Grade 2 (33.33 points). Grade 3 starts from 33.34 points. It also need to be noted that the number of voters and the actual rates income will probably never reach the threshold of Grade 3, which is 50,000 registered voters and R812,000,001 from rates income.

5.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

This report covers an area of community participation as contemplated in Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended. This is the cornerstone of good governance. The Camdeboo Local Municipality is committed to the provisions of this Chapter and law into practice for the good of service delivery and its citizens.

The Camdeboo Local Municipality committed itself to quality services in the finance and fiscal year 2008 / 2009. To this end, the Municipality placed its best foot forward and scheduled its community meetings for the financial year. Council and its committees sit regularly as scheduled to deliberate and pass motions on various service delivery mechanisms within council, looking into, amongst other things, the deliberations of the public participation process. These includes the passing and adoption of the Integrated Development Plan (IDP), which is reviewed annually as contemplated in section 46 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended. Executive positions on the Municipal staff structure have been filled and municipal performance has greatly enhanced, leading to the achievement of the unqualified audit after